

EX PARTE OR LATE FILED

U S WEST, Inc.
1801 California Street, Suite 5100
Denver, Colorado 80202
303 672-2860
Facsimile 303 295-6973

USWEST

James T. Hannon
Senior Attorney

March 1, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

RECEIVED
MAR 1 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

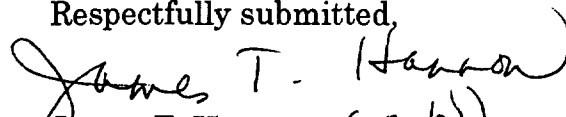
Re: Petition of U S WEST Communications, Inc. for Forbearance from
Regulation as a Dominant Carrier for High Capacity Services in
Phoenix, Arizona MSA, CC Docket No. 98-157

Petition of U S WEST Communications, Inc. for Forbearance from
Regulation as a Dominant Carrier for High Capacity Services in the
Seattle, Washington MSA, CC Docket No. 99-1

Attached, please find a redacted ex parte presentation made today with
Tamara Preiss, Competitive Pricing Division, Common Carrier Bureau in the
above-mentioned proceedings. In its ex parte presentation U S WEST
Communications, Inc. requests, pursuant to Section 0.457 and 0.459 of the Federal
Communication's Rules, confidential treatment of the contracts contained in
Attachment 3 and identified as "Confidential."

An original and six copies are enclosed. In addition, another copy is provided
to be stamped and returned to the messenger who has been instructed to wait for it.
Please contact Ms. BB Nugent at 202-429-3131 with any questions.

Respectfully submitted,

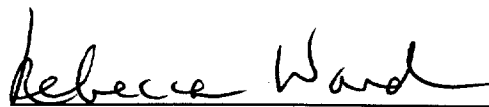

James T. Hannon (RW)

c: Tamara Preiss

CERTIFICATE OF SERVICE

I, Rebecca Ward, do hereby certify that on this 1st day of March, 1999, I have caused a copy of the foregoing **EX PARTE** to be served, via hand delivery, upon the person listed below:

Tamara Preiss
Federal Communications Commission
Room 518
1919 M Street, N.W.
Washington, DC 20554


Rebecca Ward

ATTACHMENT 1

U S WEST
High Capacity Forbearance

State Regulatory Classifications

Arizona:

1. Regulatory Classifications of Services -
 - Tariffed
 - Competitively Classified – Can price at any level at or below the maximum rate stated in the company's tariff on file with the commission, provided that the price for the service is not less than the company's total service long-run incremental cost of providing the service. Price changes can occur on one days' notice to commission.
 - Deregulated – Outside the scope of commission authority.
2. Requirements for Competitive Classification -
 - A telecommunications company may petition the commission to classify as competitive any service or group of services provided by the company.
 - Competitive classification filing must include the following information as specified by statute:
 - ✓ A description of the general economic conditions that exist which make the relevant market for the service one that is competitive;
 - ✓ The number of alternative providers of the service;
 - ✓ The estimated market share held by each alternative provider of the service;
 - ✓ The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801;
 - ✓ The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions; and
 - ✓ Other indicators of market power, which may include growth and shifts in market share, ease of entry and exit, and any affiliation between and among alternative providers of the services.
3. Requirements for Deregulation -
 - When the commission determines after notice and hearing that any product or service of a telecommunications corporation is neither essential nor integral to the public service rendered by such corporation, it shall declare that such product or service is not subject to regulation by the commission.
4. Services Classified as Competitive -
 - Currently includes intraLATA toll, private line, Centrex products, High Capacity, ACS, i.e. frame relay, ISDN, Inside Wire, Voice messaging, and some vertical features.
5. Services Classified as Deregulated -
 - Currently have a petition pending before the commission for deregulation of voice messaging. Additionally, a request for deregulation of digital high capacity services, including Frame Relay, ATM Cell Relay, LAN Switching, Transparent LAN, Megabit, and DS1 and DS3 Transport services, is incorporated into the rate case currently pending before the commission.

U S WEST
High Capacity Forbearance

State Regulatory Classifications

Washington:

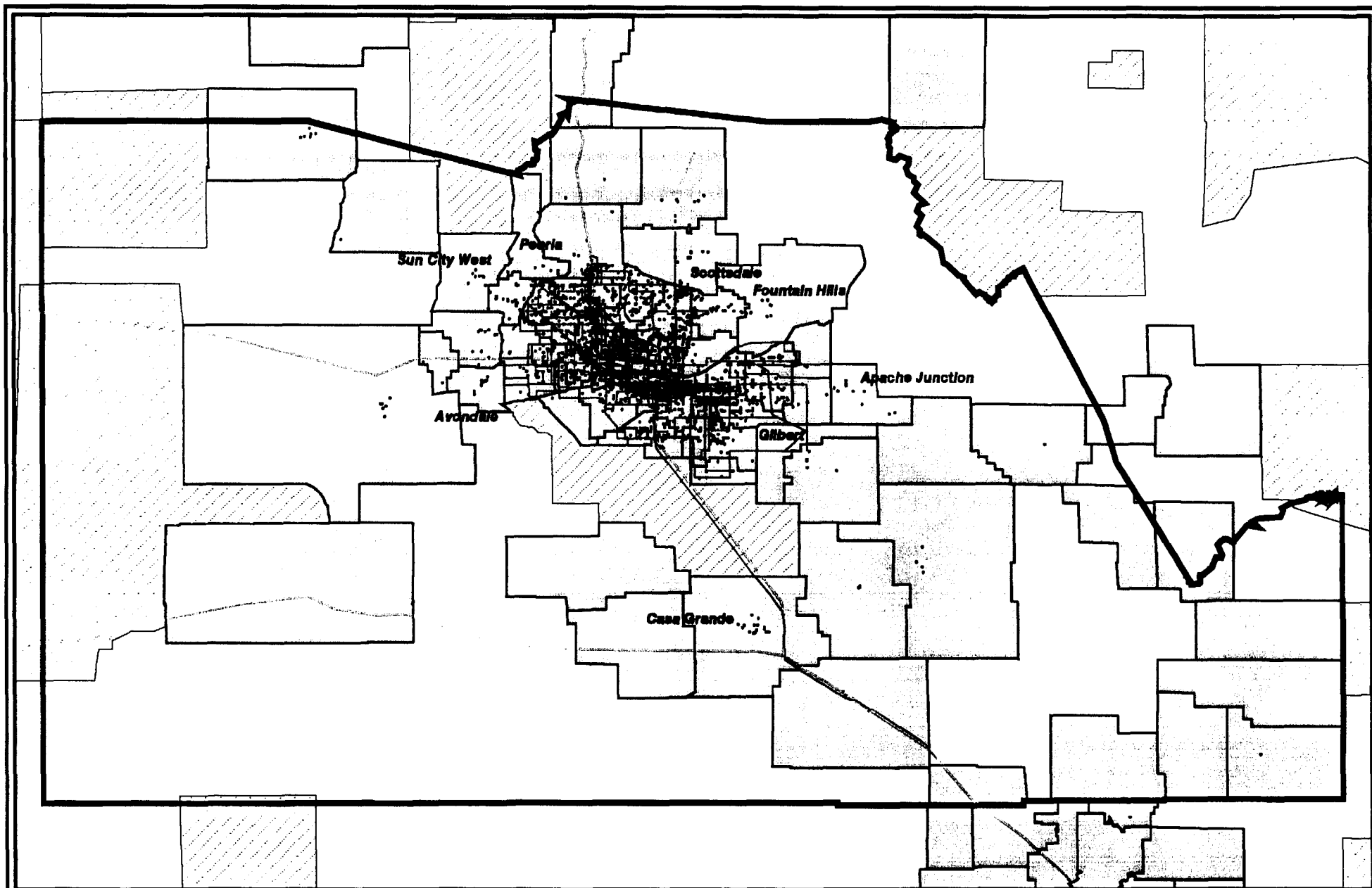
1. Regulatory Classifications of Services -
 - Tariffed
 - Rate Banded – Service is tariffed with minimum and maximum rates. Price changes can occur on 10 days' notice to commission.
 - Competitively Classified – Services are price listed. Price changes can occur on 10 days' notice to commission.
 - Deregulated – Outside the scope of commission authority.
2. Requirements for Competitive Classification -
 - The commission may classify a telecommunications service as a competitive if it finds, after notice and hearing, that the service is subject to effective competition.
 - Effective competition means that customers of the service have reasonably available alternatives and that the service is not provided to a significant captive customer base.
 - Competitive classification filing must include the following information as specified by statute:
 - ✓ Number and size of alternative providers of service;
 - ✓ The availability of substitute services at competitive rates, terms and conditions;
 - ✓ Other indicators of market power which may include market share, growth in market share, ease of entry, and affiliation of providers of services; and
 - ✓ Geographic delineation of the relevant market.
 - Commission has 6 month regulatory clock to rule on competitive classification filing.
3. Services Classified as Competitive -
 - Currently includes IntraLATA Toll, Calling Card, Centron Management Services, Prime Saver, CENTREX type services, SMDI, Speed Call, and Intracall services.
 - Petition for competitive classification for High Capacity Services (DS1 and above including SONET) is currently pending before the commission.
4. Services Classified as Deregulated -
 - Currently includes pay telephones, inside wiring, voice messaging and FAX store and forward.

U S WEST
High Capacity Forbearance

Customer Locations

On the following maps for the Phoenix and Seattle MSAs, the locations of the existing USWC customers are shown as well as the competitive fiber routes. On separate maps for each of the MSAs, the business population is shown. These maps show that the competitive fibers have been deployed where much of the potential demand is located.

ATTACHMENT 2



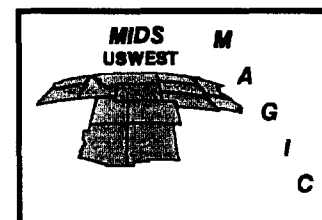
**Competitive Provider Coverage
of the
Phoenix MSA**
USWEST

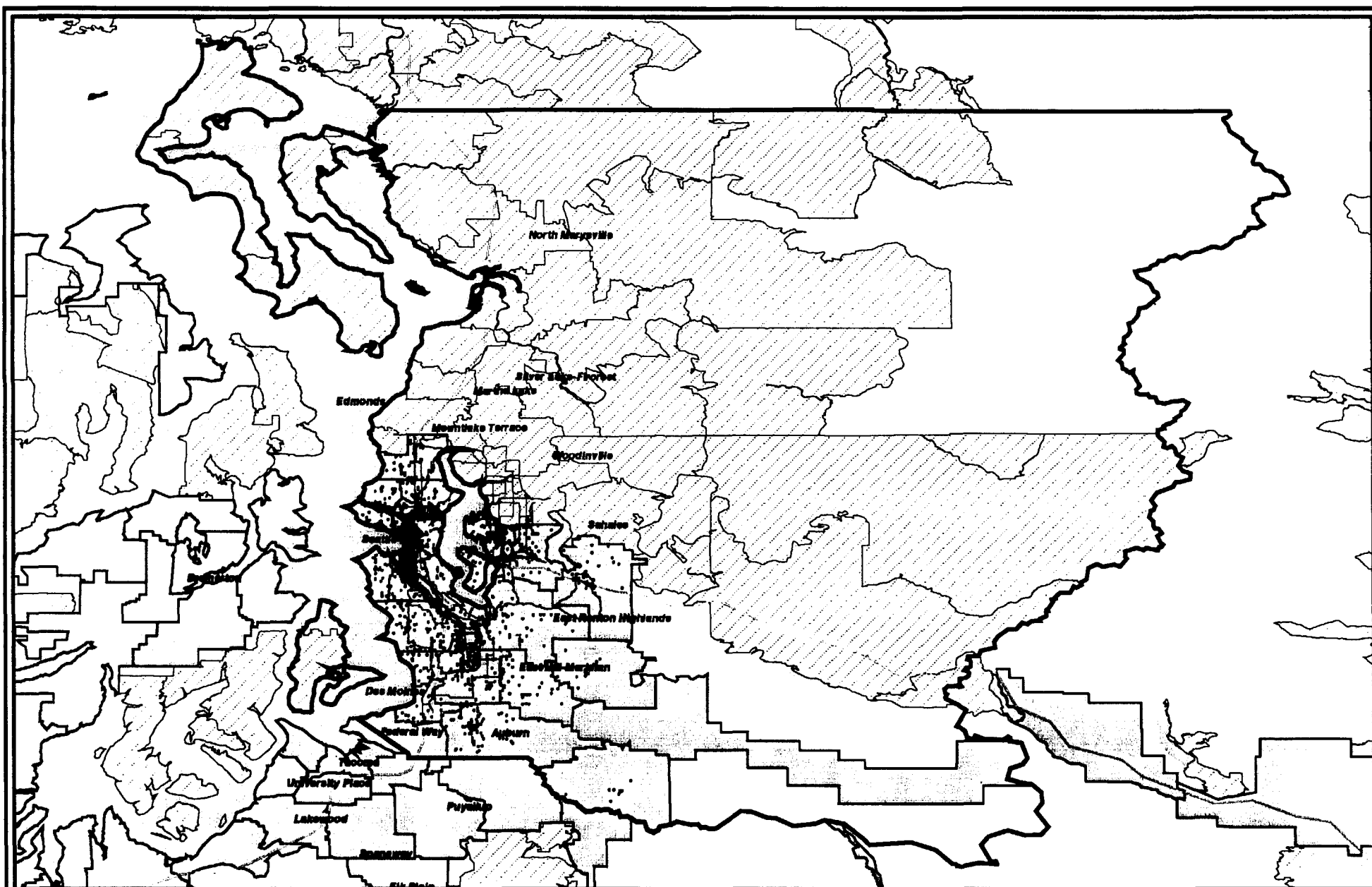


Source : CAP Fiber - Quality Strategies, Business Density -
Claritas/American Business Information 4th Quarter 1998,
U.S. WEST Customer Billing Records

Legend

- MSA Boundary
- Competitive Access
Provider Coverage
- U.S. WEST HCAP Services
- Independent Telco's
- Open Territory
- U.S. WEST Wire Center





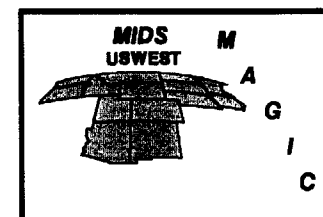
**Competitive Provider Coverage
of the
Seattle MSA**

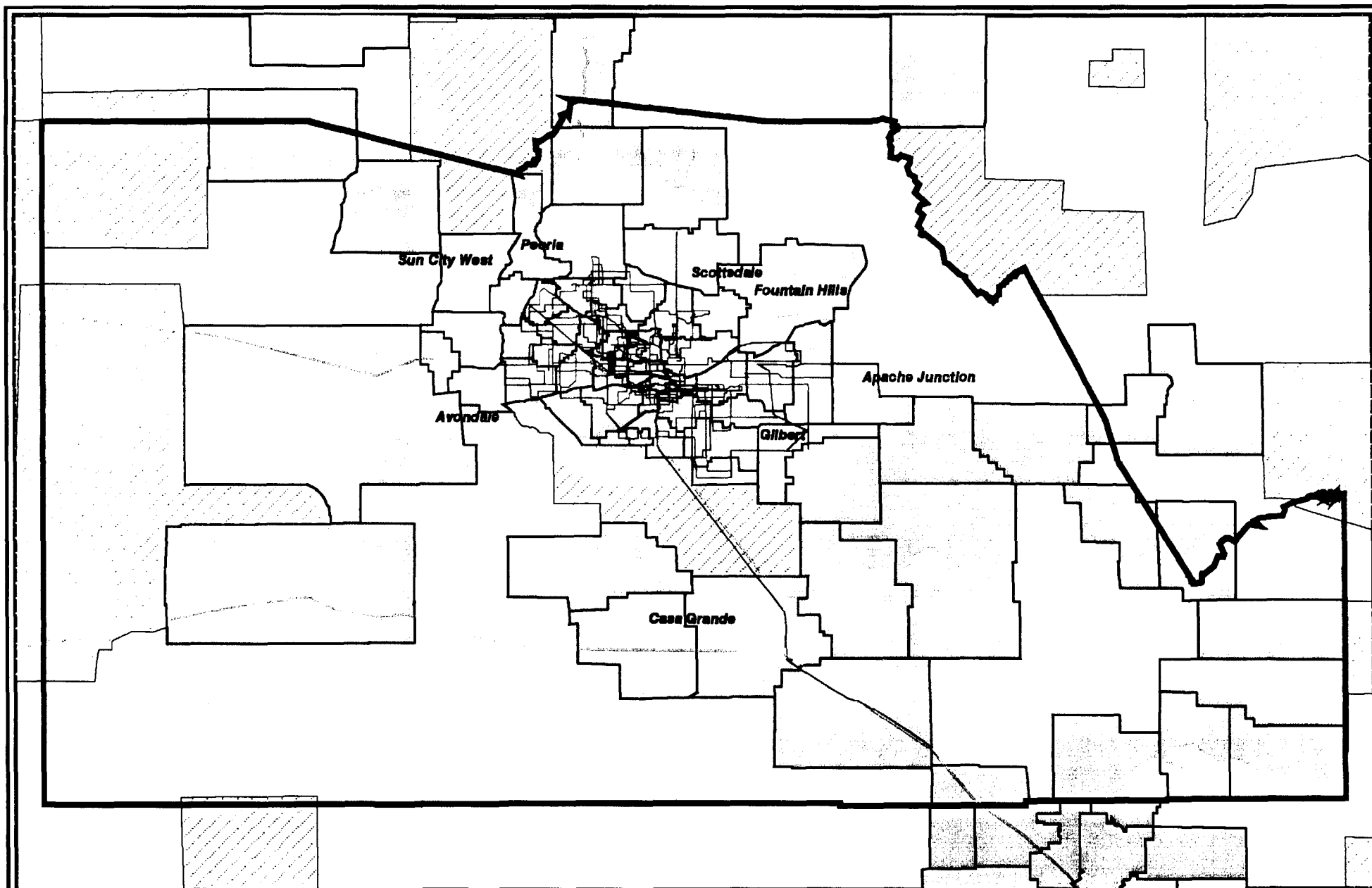
USWEST



Source : CAP Fiber - Power Engineering, Business Density -
Claritas/American Business Information 4th Quarter 1996,
U S WEST Customer Billing Records

- Legend**
- MSA Boundary
 - Competitive Access
Provider Coverage
 - U S WEST HCAP Services
 - Independent Telco's
 - Open Territory
 - U S WEST Wire Center





**Competitive Provider Coverage
of the
Phoenix MSA**
USWEST



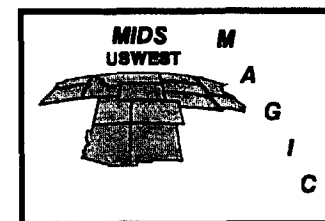
Source : CAP Fiber - Quality Strategies, Business Density -
Claritas/American Business Information 4th Quarter 1998,
U S WEST Customer Billing Records

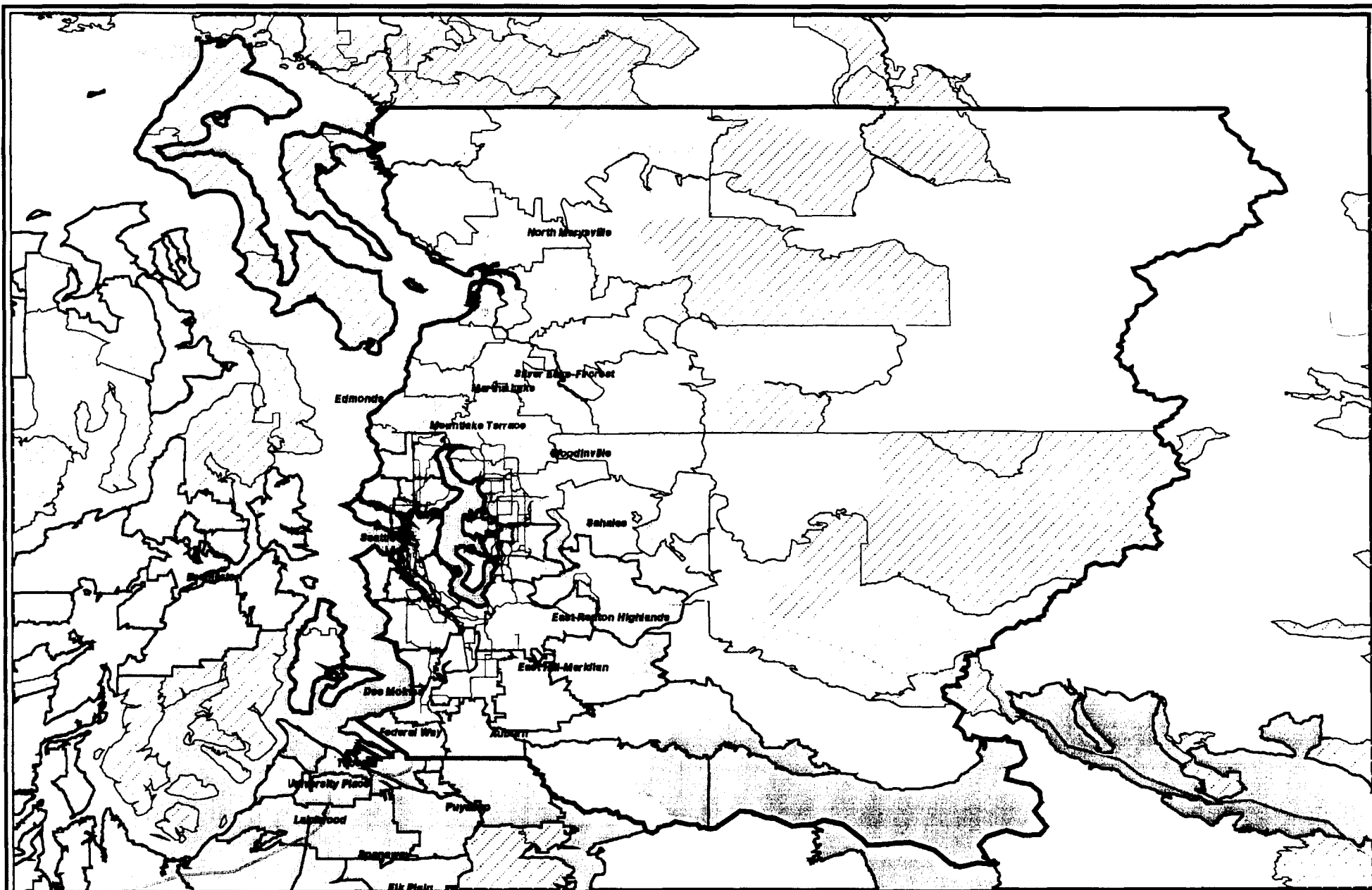
Legend

- MSA Boundary
- Competitive Access
Provider Coverage
- Independent Telco's
- Open Territory
- U S WEST Wire Center

**Business Density
(No. Businesses/SQ. ML)**

1 - 10
11 - 20
21 - 50
51 - 500
500 +





**Competitive Provider Coverage
of the
Seattle MSA**
USWEST



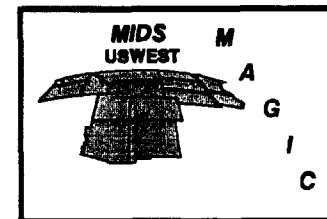
Source : CAP Fiber - Power Engineering, Business Density -
Claritas/American Business Information 4th Quarter 1998,
U S WEST Customer Billing Records

Legend

- MSA Boundary
- Competitive Access
Provider Coverage
- Independent Telco's
- Open Territory
- U S WEST Wire Center

**Business Density
(No. Businesses/SQ. MI.)**

1 - 10
11 - 20
21 - 50
51 - 100
101 - 200
201 - 500
501 - 1000
1001 - 2000
2001 - 5000
5000 +



ATTACHMENT 3

U S WEST
High Capacity Forbearance

Representative Contracts

Enclosed are five redacted contracts. These are being provided to give the Staff a sense of the contracting that currently occurs under the state jurisdictions. The five contracts are

- Arizona DS1
- Arizona DS3 with SHARP
- Washington master agreement (multiple services)
- Washington OC3
- Washington SHNS

Contracts provided under confidential treatment and are not available in the 'public' version.